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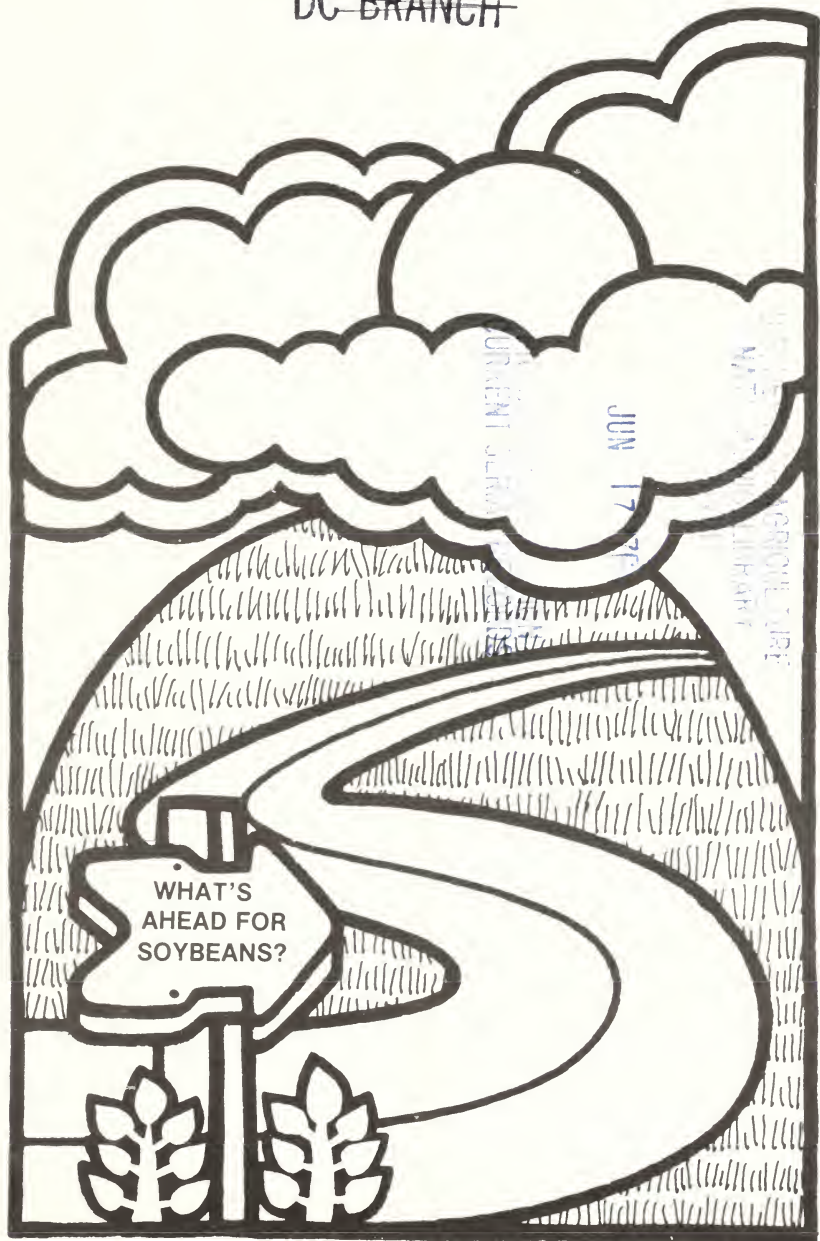
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agricultural situation

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DC BRANCH



WHAT'S AHEAD FOR SOYBEANS?

Recent years have been less than kind to the soybean.

Turbulent times struck when, after more than a decade of steady expansion, the U.S. soybean economy found itself buffeted by a poor 1974 growing year, stiffening market competition, and a depressed economy both here and abroad.

Will things pick up for our "wonder crop"? USDA economists who assessed the situation through 1985 came up with a fairly optimistic picture.

Recent months have seen renewed economic activity in the United States and overseas. This spring, U.S. use of soybeans, both for crushings and exports, was running a fourth higher than last winter's depressed levels. Producers, nonetheless, will have to cope with huge supplies and large carryover stocks which will keep a lid on farm prices.

Early this year farmers reported they would plant fewer acres to soybeans in favor of corn and cotton, which may ultimately strengthen soybean prices. Meantime, feeding of cattle, poultry, and hogs has gained momentum, creating renewed demand for soybean meal.

Long-term prospects appear even brighter. Economists forecasted how soybeans might fare in 1985 using the following basic assumptions:

- the U.S. population, according to Census figures, will reach 236 million by 1985,

- per capita disposable income will advance 2.7 percent a year until 1985,

- beginning and ending soybean stocks in 1985 will offset each other, and

- the share of domestic soybean oil going to nonfood uses will remain fairly constant.

With those in mind, here's what the experts have to say about . . .

The World Situation

Between 1960 and 1975, world soybean output more than doubled to nearly 63 million metric tons. By 1985, the figure should reach 85 million metric tons, assuming basic trends continue and that to some extent, economic policies in some nations will restrict international trade.

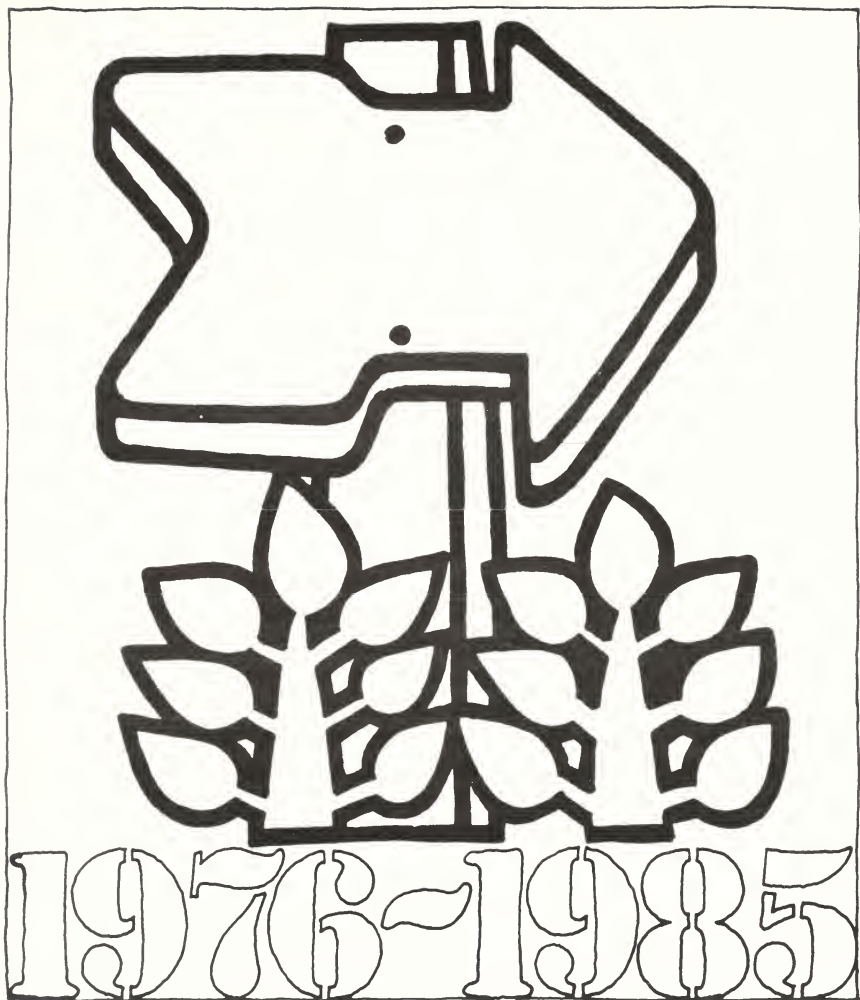
As recently as 1973, the U.S. contributed 73 percent of the world's soybean crop. That share, which has already shrunk to two-thirds, will further weaken to less than 60 percent by 1985, due to intense competition from Brazil. That nation, which has only recently emerged as a major supplier, will probably produce a fourth of the world's soybeans in 1985.

The Domestic Scene

Economists say 1985 production will advance roughly 20 percent over the current crop to 1.8 billion bushels. As in the past, stepped-up acreage will account for nearly all the gain. Growers are expected to harvest soybeans on about 61 million acres in 1985, well within the 64½ million acres previously forecast as U.S. production capacity for the crop in the mid-1980's.

Yield per acre may inch up only about a fourth of a bushel each year to 30¼ bushels by 1985. This assumes no major breakthrough in yields by a high-yielding hybrid in the meantime.

Other considerations: U.S. production may intensify in areas where yields traditionally have ranged below the national average. In addition, growers may practice more double cropping than in the past—which would also dampen yield increases.



Exports

Despite heightened competition from Brazil, U.S. shipments are expected to climb steadily to 800 million bushels in 1985—up from 500 million in the 1975 crop year.

This outlook reflects a continued expansion of world demand for oilseeds and vegetable oil. And as consumer incomes grow, diets will shift steadily toward more meat and poultry and to processed salad and cooking oils.

Accelerated meat and poultry output here and abroad will generate

bigger demand for soybean meal. More and more of the U.S. soybean crop will leave our shores as beans, however, as importing nations continue to expand their crushing facilities.

Crushings

U.S. crushing facilities will process an estimated 935 million bushels in 1985—up from 1975's 800 million, which amounted to the second biggest volume on record. Last year, domestic crushing capacity stood at around 1,100 million

bushels, which means the 1985 crush should require little or no expansion of facilities beyond some shifting to meet regional changes in production and demand.

Soybean Meal

Demand for high-protein feed largely sets the demand for soybean meal. U.S. meal production jumped from 9½ million tons in 1960 to 19 million during the 1975 crop year. By 1985, the total will probably climb to 22 million.

Most of the expansion will occur domestically, as the U.S. meat and poultry industries keep pace with mounting consumer demand. Meal exports will probably edge up only slightly, since most importing countries will buy beans and use their own crushing facilities.

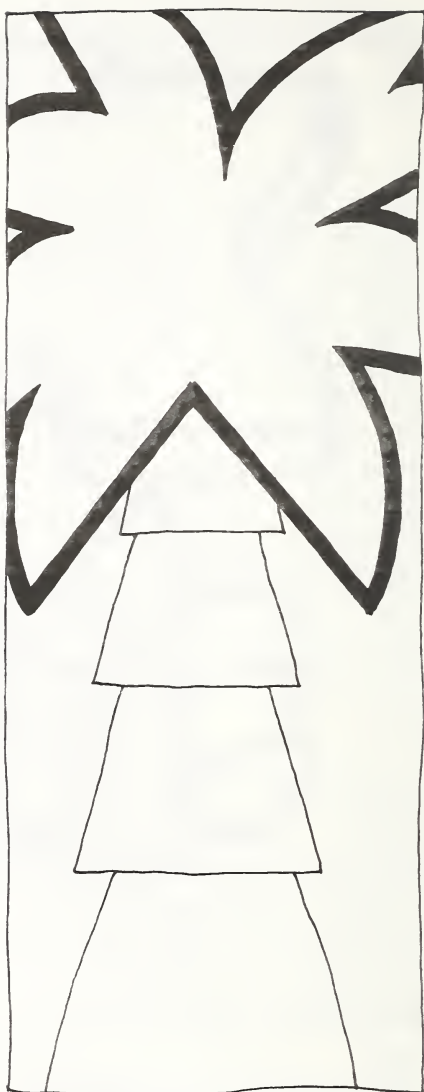
Soybean Oil

Production of soybean oil, which last year came to 8.6 billion pounds, will climb steadily to just over 10 billion pounds. While most will be used as a domestic food fat, an estimated 1.6 billion pounds will be sold in foreign markets.

Population growth and an expected hike in per capita use could boost total consumption of food fats and oils to slightly over 13½ billion pounds by the mid-1980's. During the 1975 crop year, Americans used a little more than 11 billion pounds.

Over the past decade, consumer preference has swung heavily in favor of vegetable oils over animal fats. This helped soybean oil capture 60 percent of the U.S. fats and oils market in the 1975 crop year—versus only 36 percent in 1960.

Experts say Americans will continue this shift, leaving animal fats with on 17 percent of the fats and oils used in 1985. And despite rising imports of palm oil, soybean oil in 1985 is expected to maintain its dominant position with 58 percent of the market.



THAT PESKY PALM OIL

A formerly little known imported product has been giving the U.S. soybean industry a giant sized headache.

The product is palm oil, and it comes mostly from Malaysia and Indonesia. Imported palm oil usually sells for less than domestic soybean oil, which induces U.S.

manufacturers to substitute it in products like shortening, and more recently in margarine, as well as salad and cooking oils.

To members of the food fat market, palm oil imports have grown at an alarming rate. During the 1960's the United States bought an average of only a little over 60 million pounds a year.

But by the 1974/75 marketing year, U.S. imports climbed to 757 million pounds, more than double the year-earlier figure. During the current marketing year, palm oil imports will probably vault to a record 900 million pounds and account for close to 8 percent of all edible fats and oils used for food in the United States.

The surge in imports stems from a dramatic rise in world palm oil production since 1970. Calendar year 1976 will probably see world output reach 7 billion pounds—roughly twice the 1970 level.

Behind much of this expansion stand several international lending institutions like the World Bank. It's estimated that since 1965, these organizations have granted more than 30 loans to help Asian nations boost palm oil production and develop processing facilities.

Over the past 5 years, roughly 85 percent of the advance in world palm oil output has been sold to foreign markets rather than used to upgrade diets in producing countries. Since 1970, Malaysia and Indonesia alone have exported more than 90 percent of their expanded production. And the coming decade promises further hefty growth in production and exports, particularly from West Malaysia.

Oil palm trees yield up to 4,000 pounds of oil per acre. An acre of U.S. soybeans, on the other hand, yields only 300 to 310 pounds. This means that palm oil can be produced at a sharply lower cost than U.S. soybeans.

USDA officials estimate that

Malaysian palm oil can be produced and delivered to U.S. ports at an average cost of about 10 cents a pound. As a rule, palm oil begins to sell in large quantities when it costs at least 2 cents a pound less than prices quoted for soybean oil in Decatur, Ill.

Therefore, soybean oil in Decatur would need to drop to 12 cents a pound before palm oil can no longer sell at a price that will cover production costs.

Soybean oil prices dropped drastically this marketing year, and by mid-March the Decatur price stood at 16 cents a pound. Meantime, palm oil at Gulf ports was quoted at just over 17 cents. The steeper price for palm oil dampened purchases and will help hold down palm oil use—but only temporarily.

A big problem arises when soybean oil prices slip to levels where they're competitive with palm oil: Soybean meal prices have to go up to cover costs of production and crushing. This in turn raises feed costs to U.S. livestock producers.

Economists have estimated that eastern Corn Belt farmers will pay roughly \$4.75 to produce a bushel of soybeans this season. If soybean oil from the 1976 crop sells for 16 cents a pound, then 44-percent protein soybean meal would have to bring in \$143 a ton to cover grower and crusher costs. And at 12 cents a pound, meal prices would have to climb to \$162 a ton.

One big reason for the massive flow of palm oil into this country is that the United States is the only entirely open major import market for palm oil. The country imposes no quotas or customs duties.

In contrast, the European Community charges 6 percent ad valorem on imports of crude palm oil to be used for other than technical or industrial purposes, 4 percent for oil going to technical uses, and 14 percent on refined oil destined for food products.

DIVVYING UP THE DENIM DOLLAR

"Thank goodness for denim," might well be the current watchword of the U.S. cotton industry.

During 1970-74, while total production of cotton broadwoven fabrics plunged about 25 percent, cotton denim output climbed by over 35 percent. By second quarter 1975, denim accounted for an amazing 16½ percent of all cotton broadwoven fabric produced in this country, firmly establishing it as a leader in the overall recovery of the domestic textile industry.

According to USDA economists, many sectors of our economy benefit directly from the growing denim market. Each dollar spent for cotton denim reflects the cost of producing, ginning, processing, manufacturing, distributing, and merchandising the finished product.

The table below shows how a retail dollar spent for a typical pair of men's dungarees in 1974 was distributed. Dungarees were chosen for analysis since they represent the biggest single outlet for denim.

The cotton producer gets about 6.4 percent of the total retail value of a pair of denim dungarees, which works out to 52 cents for each pair retailing at \$8.04.

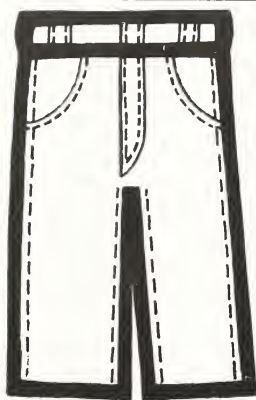
Ginning costs consume just over 1 percent, or 8.6 cents of the retail dollar. The smallest share—less than 1 percent—goes for moving raw cotton to textile mills, including charges for warehousing, compression, and transportation.

At the mill, spinning, dyeing, and weaving add another \$1.57, providing fabric makers nearly 20 percent of the retail dollar.

Converting the fabric into a finished pair of dungarees tacks on an additional \$2.42, giving apparel manufacturers roughly 30 percent of the total value.

The biggest share of the consumer's dollar goes for retailing, with transportation, store display, inventory, and costs of sales personnel claiming \$3.37, or 42 percent of the final selling price of an \$8.04 pair of dungarees.

WHO GETS THE COTTON DENIM DOLLAR¹



Operation or service	Cost per pair produced ²	Share of retail dollar
	<i>Dollars</i>	<i>Percent</i>
Farm production	.52	6.4
Ginning	.09	1.1
Marketing to textile mills ³	.07	0.9
Textile mill processing and finishing	1.57	19.6
Apparel manufacturing	2.42	30.0
Wholesaling-retailing	3.37	42.0
Total value at retail	8.04	100.0

¹Estimates developed from both published and unpublished sources, 1974.

²Calculations based on estimated cost or value added to a typical pair of denim dungarees containing 1.41 pounds of cotton (2.256 sq. yds. weighing .625 pounds per sq. yd.) at each stage from production through retailing.

³Includes costs for warehousing services, compression, and transportation, in addition to buying and selling expenses, cotton insurance, financing, and overhead expenses of marketing firms.

A NEW AMERICAN CROP?

Water chestnuts may soon come to life on the American agricultural scene, thanks to some recent developments by USDA's Agricultural Research Service (ARS). This oriental delicacy isn't exactly a stranger to U.S. farmers, but production has never caught on in this country because of inadequate processing and harvesting methods.

Two major problems surfaced when ARS researchers sought an alternative for U.S. food processors, who've been forced to dip into Taiwan's dwindling supplies of the expensive processed root vegetable. First was the high cost of hand peeling the plant stems, or corms, and second, the lack of a machine to harvest them.

Figures testify to the need for practical processing and harvesting methods. The U.S. canned food industry reportedly uses more than 20 million pounds of imported processed corms and around twice that much of the raw form each year.

Price comes into play, too, considering Chinese food processors may have to pay 75 cents a pound for water chestnuts this year. Fresh market sales will ring up \$1.00 a pound wholesale, \$1.80 retail.

An economical peeling method developed by ARS researchers involves trimming the ends of the corms, softening the peel in a hot, acidic substance, brushing to remove the peel, and bleaching.

ARS scientists also came up with a digger that separates the corms from the soil, eliminating the need for hand labor. The plow's under-blade cuts below the root system without slicing the chestnuts. Using the new rig, researchers harvested 1,500 pounds of chestnuts a day, compared with only 800 pounds a week in tests several years ago.

Cultivated in paddies, much like

rice, water chestnuts shoot up as high as 7 feet. Plant tops provide good eating for livestock. And besides serving the processed Chinese food industry, the water chestnut provides a valuable starch source, especially as a food additive and animal feed.

WHEN NARROW MEANS WIDER

For a farmer or any other businessman, bigger returns come from wider profit margins. Producers of dryland grain sorghum stand to stretch their margins by planting narrower rows.

Soil scientists and agricultural engineers with USDA's Agricultural Research Service, working in cooperation with the Texas Agricultural Experiment Station, found that narrow row spacing can increase yields from 15 to 20 percent.

In their Central Texas study, the researchers spaced sorghum in 27- to 30-inch rows instead of the usual 40, and upped the value of their yield by about \$30 an acre.

This can translate into wider profit margins for many sorghum growers since the feat was accomplished by using conventional farming equipment and at no additional production costs.

Narrow row spacing, the researchers found, provides an earlier and more complete leaf canopy than conventional spacing. The leaf canopy intercepts more sunlight and rainfall, heightens water intake by the soil, and cuts down on evaporation.

When scientists measured soil water content at the beginning and end of the growing season, they found no significant difference between narrow and conventional row spacing. This indicates that sorghum planted in tighter rows uses water more efficiently than if planted in conventional rows.

SURVEYSCOPE

To give our readers a clearer picture of the vast scope of SRS activities, Agricultural Situation presents a series of articles on special surveys undertaken in various States. While these are not national surveys, they are important to the agriculture in individual States.

To a certain degree, estimating production of corn, cotton, wheat, and soybeans is "in the bag." Samples of each of these crops are collected by SRS enumerators from farm fields to check the progress and output potential.

"If the crop under scrutiny happens to be mature wheat," says John Cochrane, Statistician in Charge of the Oklahoma Crop and Livestock Reporting Service, "the sample bags will end up in one of four regional wheat laboratories located in Oklahoma, Kansas, Oregon, and Ohio.

Wheat tested in the labs comes from 1,800 sample plots of winter wheat,

450 plots of spring wheat, and 230 durum plots located in 17 major wheat-producing States.

"Each regional wheat lab does work for two or more additional States," explains Cochrane. "Besides serving our State, the lab here in Oklahoma also analyzes wheat from Texas, Missouri, and Colorado."

In late April and early May, SRS enumerators enter wheat fields and lay out the sample plots, each of which spans three planted rows, and is divided into three sections measuring precisely 21.6 inches. Each month during the growing season, enumerators return to the plots to



Wheat samples taken from plots like this eventually wind up in a regional wheat lab . . .

count stalks and emerged wheat heads.

Enumerators clip some wheat heads from two sections in each sample plot and send them to laboratories—not the regional labs at this point, but facilities in each State—where technicians gauge the average weight of the wheat heads and the number of sterile and fertile spikelets. Later in the season, when wheat kernels reach the dough stage, laboratory personnel determine the average number of kernels per head.

Shortly before harvest, when the crop reaches its hard dough or ripe stage, enumerators hand harvest the remaining third section in each sample plot and send it to one of the four regional laboratories for extensive examination.

"When these samples arrive," explains Cochrane, "technicians carefully check the number of wheat heads and weigh them to an accuracy of one-tenth of a gram. Then workers put the wheat through a mini-threshing machine, and thoroughly clean it of all straw and chaff."

After threshing, laboratory technicians immediately weigh the grain from each sample plot and measure its moisture content. What is learned about each sample can then be expanded and combined for State estimates of yield per acre at a standard moisture level.

This estimate will then be multiplied by acres for harvest in each State and the Nation to indicate total wheat production.

After farmers harvest their crops, enumerators return to the fields and glean one-third of the sample plots to determine how much grain was lost during harvest. The gleanings are run through the regional labs and losses are subtracted to arrive at an estimate of the harvested yield of wheat per acre.

"The precise work carried out in our regional wheat laboratories forms a vital link in our estimating program," says Cochrane, "providing unbiased production estimates that help remove uncertainties about farm production and strengthen the farmer's marketing position."



... where they are carefully weighed and analyzed to indicate the size of the coming crop.

PRODUCTION COSTS: EASING UP A BIT

It'll come as no surprise to most farmers that production expenses will rise again this year. But the good news is that costs probably won't climb as sharply as in 1975.

This year, say USDA economists, farmers can expect to pay 4 to 6 percent more to produce an acre of cotton, feed and food grains, and oilseeds.

Their projections are based on findings from the 1974 cost of production survey, taken by SRS enumerators in early 1975. Input prices and yields were adjusted to reflect changes in 1975 and expected for 1976, but basic farming practices, such as per acre use of fertilizer and fuel, were assumed unchanged.

Unlike results from 1974, however, the new analysis represents a larger portion of U.S. production, and is based on planted—rather than harvested—acres.

Projections include three major types of expenses: *operating costs*, involving all costs related to crop production, such as seed, fertilizer, and custom work; *machinery ownership*, which includes all fees for owning and operating equipment, and *overhead*, including varied expenses like utility bills and building and fence repairs.

Prices for most farm inputs this year won't climb as rapidly as in 1975. Some items, like fertilizer and certain seeds, may even cost less. Also, farmers will probably pay about the same as last year for each unit of production, since expected yield increases could offset slightly higher input costs.

Here's what awaits producers of the following crops . . .

Cotton. Costs may rise 8 percent this year to \$218 an acre. But if yields top last year's, the outlay for each pound of lint might remain near 1975's 41 cents.

Corn. Operating, machinery, and

overhead charges are seen at about \$134 an acre, up 6 percent from 1975. Per bushel costs will probably range from \$1.40 to \$1.60, with growers in the Southeast and Northeast paying the heftiest fees.

Grain sorghum. A 6-percent hike also awaits grain sorghum producers, who are expected to pay \$82 an acre. In the Plains States, which account for nearly 90 percent of the crop, costs per bushel should run farmers \$1.50 to \$1.60.

Barley. At \$63 an acre, barley outlays will average \$3 more than in 1975. Meantime, costs per bushel could climb some 7 cents to \$1.50.

Oats. In the Lake States and Corn Belt, where more than half the crop originates, an acre of oats should run about \$56, with per bushel rates somewhere between \$1.02 and \$1.17.

Wheat. All types of wheat will cost farmers around \$58 an acre—compared with \$56 in 1975. Per bushel costs, meantime, will probably hold near last year's mark of just under \$2.

Rice. Economists see rice costs climbing \$6 to \$274 an acre, with only a slight advance in costs per hundredweight.

Soybeans. The cost of raising soybeans could approach \$70 an acre, up \$5 from last year. Costs per bushel fell in 1975 as yields rebounded from year-earlier lows. But unit expenses will edge higher in 1976, probably to the \$2.40-\$2.60 range.

Flaxseed. Producers will pay roughly 6 percent more than last year's \$43 an acre. Compared with other crops, flaxseed expenses have crept up more slowly.

Peanuts. Peanut growers face an increase of \$15 an acre to about \$256. Operating costs are expected to consume 80 percent of all production expenses, with biggest outlays going for fertilizer, chemicals, labor, and drying.

GREEN AND GROWING

In view of the budding number of plant lovers, it's not surprising that SRS unearthed nearly a two-thirds increase in the value of foliage plant sales during 1975.

In its latest survey of the Nation's flower and foliage crop, SRS tallied \$430 million in total wholesale value last year—nearly a fourth above 1974's \$350 million.

Laurels for most of the growth go to foliage plants, with wholesale value climbing to \$190 million in 1975. Cut flowers, meantime, inched ahead only 4 percent in value to \$240 million. Though production and sales of most flower crops slipped below 1974 levels, increased wholesale prices for all varieties pushed the overall value up.

As in practically every year since the survey began nearly two decades ago, California cornered the biggest share of 1975's flower market with \$86 million in sales, based on the wholesale value of cut carnations, gladioli, roses, and cut and potted chrysanthemums. Florida placed a distant second with \$29 million, not far ahead of Colorado's \$20 million.

In foliage plant sales, though, Florida rang up a winning \$87 million. California came in second with \$46 million.

Florida also ranked first in gladioli sales. Otherwise, California remained the top producer of all flower crops in 1975. Wholesale value of all flowers and foliage plants grown in California rose 20 percent to \$132 million, giving it a hefty third of total sales recorded in the 22 States surveyed.

Of the 3,642 growers surveyed, nearly two-thirds reported sales of under \$100,000. Only 16 percent sold more than \$250,000 in flower crops, but this group accounted for 40 to 80 percent of total sales for individual cut flowers and foliage crops.



TOP EXPORTERS

It was another nip and tuck year, but when the ledgers closed, Illinois had nosed out Iowa to again be the top farm exporter in fiscal 1975.

Each of the two States contributed nearly \$1.7 billion to total U.S. agricultural exports valued at \$21.6 billion. Together, Illinois and Iowa provided about a third of all feed grain shipments valued at \$4.8 billion, and about a third of the \$4.2 billion in U.S. soybeans sent abroad in fiscal 1975.

Nearly three-fifths of last year's record wheat crop was exported, but the bulk of wheat and wheat products—our biggest single export commodity in terms of value—came from other States. Only five States provided half the export volume—Kansas, North Dakota, Oklahoma, Washington, and Montana.

Because of its bumper wheat crop, Kansas placed third behind Illinois and Iowa in the State rankings. Fourth place went to Texas, and California came in fifth with exports worth \$1.1 billion.

Only three States—New Hampshire, Alaska, and Rhode Island—contributed less than \$1 million to the total export tally. And all but 15 States added more than \$100 million.

Briefings

RECENT REPORTS BY USDA OF ECONOMIC, MARKETING, AND RESEARCH DEVELOPMENTS AFFECTING FARMERS.

BIGGER BERRY CROP . . . Buoyed by attractive prices over the past few seasons, the Nation's strawberry growers have upped their acreage. Early season estimates indicated Florida's winter crop would climb a tenth over 1975 output. California acreage for spring harvest was estimated up 8% and the crop was forecast a tenth larger than last season. In April, USDA economists expected strawberry prices to decline seasonally with the heavier volume, but anticipated that reduced imports from Mexico would hold domestic prices firm.

FARM MACHINERY, 1976 . . . This year, producers will probably continue buying larger and more sophisticated farm equipment, but unit sales of some farm machinery may fall off somewhat. USDA economists expect sales of 2-wheel drive tractors to drop 4%, while sales of the 4-wheel drive variety climb by the same amount. Combines and haybalers will likely sell at a slower clip than in 1975, but cornheads and forage harvesters are expected to ring up bigger sales. This year's purchases will also reflect farmers' increasing fondness for large round balers.

DAIRY TALE . . . For the first time in 3 years, per capita consumption of milk in all dairy products moved slightly higher in 1975, reaching about 546 pounds. Butter sales had a hand in the upturn, with per capita use climbing to over 4.7 pounds in 1975. At the same time, the average American ate an extra pound of ice cream compared with 1974 levels. Cheese usage slipped slightly, however, as did consumption of certain types of milk. This year, economists look for a return to the average yearly decline of the early 1970's of around 1%.

BEHIND IT ALL . . . The final tally for U.S dairy imports in 1975 amounted to 1.7 billion pounds, milk equivalent—sharply below the 2.9 billion pounds recorded in 1974. Economists point to reduced imports of American and other varieties of cheese.

THE LAND MARKET . . . Reasonably strong grain prices and a slowing rate of increase in production costs should hold farm real estate prices firm through 1976. Right now it looks like farmland prices will escalate 8-10% this year, with a relatively low rate of turnover. From March 1, 1975 to February 1, 1976, farm real estate values rose 14% nationally—roughly the same as the previous year.

GETTING THE FACTS . . . This spring, USDA issued a newly revised Fact Book of U.S. Agriculture, aimed at people who speak and write about our Nation's food and fiber system. Updated for the first time since 1972, the reference book contains a wealth of information on modern agriculture divided into five major subdivisions: farm production supplies, the farming operation, food marketing, agricultural services, and improving the rural social environment. Copies of the publication are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Price is \$1.90.

EATING AVERAGE . . . Economists pin per capita consumption of crop related foods in 1975 at just under the 1974 level, and roughly 2% below 1973's record high. The average American consumed bigger quantities of fruits, fresh potatoes, processed vegetables, and cereal products, but about offset these gains with sharply reduced sugar consumption and smaller portions of vegetable oils, fresh vegetables, and coffee.

A SMALLER CLIP . . . Shorn wool production in 1975 came to 120.2 million pounds, off 10% from 1974 and 17% below 1973. Another 5.3 million pounds of pulled wool brought total U.S. wool output to 124.5 million pounds. The number of sheep and lambs clipped in 1975 also dropped 10% to 14.5 million head, reflecting the downward trend in sheep numbers.

LOWER RETURNS . . . The 1975 clip brought U.S. wool producers an average of 44.7 cents a pound—well below the 59.1 cents earned a year earlier and sharply less than 1973's 82.7 cents. At \$53.7 million, total value of shorn wool output fell nearly \$25 million shy of last year's mark and well below half the 1973 tally.

LIVESTOCK ROUNDUP . . . Farmers marketed increased numbers of cattle in 1975, pushing cash receipts from all meat animals up slightly to

\$25.7 billion. SRS credits cattle and calves with 68% of total cash receipts, hogs with 31%, and sheep, 1%. Production of meat animals at 58.3 billion pounds, however, dropped more than 5 billion pounds below 1974's total. Value of production followed suit, slipping about \$1 billion to \$20.8 billion. Producers got higher prices for hogs and lambs, but smaller returns for cattle, calves, and sheep.

EASING UP . . . Last March 30, USDA's Farmers Home Administration (FmHA) lowered to 8½% its interest rates on single family housing loans to low- and moderate-income families. The loans had carried an 8¾% rate since the start of the year. Rates for development of rental or cooperative housing will remain at 9%. FmHA administers housing loans in rural areas with towns of not more than 10,000 people, and in certain towns and cities with between 10,000 and 20,000 residents.

FUNDS FOR FIREFIGHTERS . . . Earlier this year, USDA set aside \$3.5 million for the Rural Community Fire Protection program. The project, which began last year, provides technical and financial assistance to rural communities to organize, train, and equip local fire-fighting forces. State Foresters and officials of the Commonwealth of Puerto Rico, Guam, and the Virgin Islands administer the program through cooperative agreements with USDA's Forest Service. During the program's first year, officials received close to 5,400 applications for assistance, and distributed allotted funds among nearly 2,200 approved projects.

THERE'S MONEY IN MOHAIR . . . Strong export demand for all grades of mohair have meant continually bigger returns for U.S. producers. Farm prices in January averaged \$2.90 a pound, grease basis, up \$1.55 from a year earlier and well over the support level of around 80 cents a pound. As of March, the 1975 clip was practically all sold, with final prices ranging from \$2.50 for adult hair and \$3 for kid.

HOP HOLDINGS . . . Last March 1, states SRS's Crop Reporting Board, U.S. growers, dealers, and brewers held a record 71.4 million pounds of hops. The inventory proved 6% bigger than a year earlier and 22% over holdings on March 1, 1974. The bulk of the Nation's hop supplies—just over 62 million pounds—stood in brewers' warehouses, while dealers reported 8.6 million pounds, and growers, only 680,000 pounds. Hop production in 1975 came to nearly 56 million pounds, off 2% from a year earlier.

Statistical Barometer

Item	1974	1975	1976—latest available data	
Farm Food Market Basket:¹				
Retail cost (1967=100)	162	175	177	February
Farm value (1967=100)	178	187	184	February
Farmer's share of retail cost (percent)	43	42	40	February
Agricultural Trade:				
Agricultural exports (\$bil.)	22	² 22	1.7	February
Agricultural imports (\$bil.)	10	² 9	.8	February
Farm Income:				
Volume of farm marketings (1967=100)	111	² 115	- - -	
Cash receipts from farm marketings (\$bil.)	93.5	² 90.6	- - -	
Realized gross farm income (\$bil.)	101.1	² 99.2	- - -	
Production expenses (\$bil.)	72.9	² 75.5	- - -	
Realized net farm income (\$bil.)	28.2	² 23.7	- - -	
Income and Spending:				
Disposable personal income (\$bil.)	983.6	1,076.7	- - -	
Expenditures for food (\$bil.)	166.5	184.4	- - -	
Share of income spent for food (percent)	16.9	17.1	- - -	
Prices:				
Consumer price index, all items (1967=100)	147.7	161.2	161.7	February
Food (1967=100)	161.7	175.4	180.0	February
Food away from home (1967=100)	159.4	174.3	181.9	February
Food at home (1967=100)	162.4	175.8	179.6	February
Beef and veal	168.5	170.0	168.3	February
Pork	161.0	196.9	208.5	February
Poultry	146.9	162.4	159.8	February
Eggs	160.8	157.8	184.9	February
Dairy products ³	151.9	156.6	168.5	February
Fruits and vegetables	165.8	171.0	173.2	February

¹Average annual quantities per family and single person households bought by wage and clerical workers, 1960-61, based on Bureau of Labor Statistics figures.

²Preliminary.

³Includes butter.



Crop
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